

9

**STANDING COMMITTEE ON LABOUR
(2005-06)**

FOURTEENTH LOK SABHA

MINISTRY OF TEXTILES

DEVELOPMENT SCHEMES FOR HANDLOOM SECTOR

NINTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

December 2005/ Agrahayana 1927 (Saka)

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Presented to Lok Sabha on 20.12.2005

Laid in Rajya Sabha on 20.12.2005



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**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR
(2005-06)**

Shri Suravaram Sudhakar Reddy -CHAIRMAN

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4. Shri Santasri Chatterjee
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| 1. | Shri John Joseph | - | Secretary |
| 2. | Shri N.K. Sapra | - | Joint Secretary |
| 3. | Shri R.S. Misra | - | Deputy Secretary |
| 4. | Shri N.K. Pandey | - | Under Secretary |
| 5. | Shri C.Kalyanasundaram | - | Committee Officer |

INTRODUCTION

I, the Chairman of the Standing Committee on Labour 2005-06 having been authorised by the Committee to submit the Report on their behalf, present this Ninth Report on “Development Schemes for Handloom Sector”.

2. The Committee had selected “Development Schemes for Handloom Sector” as one of the subjects for detailed examination for the year 2004-05. The subject has again been selected for the 2005-06. The Committee took evidence of the representatives of the Ministry of Textiles on 22 December, 2004 and 15 June 2005. The Committee considered and adopted the Report at their sitting held on 15 December 2005.
3. The Committee also heard the views of handloom weavers on the subject during their Study Visit to Kanchipuram (Tamil Nadu) on 2 November, 2004, Bangalore on 8 November, 2004 and Pochampally (Andhra Pradesh) on 12 November, 2005.
4. The Committee wish to express their thanks to the officers of the Ministry of Textiles for placing before them the detailed written notes on the subject and furnishing the information as desired by the Committee in connection with the examination of the subject and tendering evidence before the Committee.
5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report.

New Delhi;
16 December 2005
25 Agrahayana 1927 (Saka)

SURAVARAM SUDHAKAR REDDY
CHAIRMAN
STANDING COMMITTEE ON
LABOUR

REPORT
CHAPTER-I
INTRODUCTORY

1.1 Handloom textiles are an age-old tradition in India. Weaving was known to people from the ancient times and India enjoyed a strong trade in textile goods over the years. The Handloom Sector reflects a wide variety of traditions and techniques from the simple cotton dhotis to the rich silk saris of Banaras and Kancheevaram. Handloom weaving is part of the socio-cultural life style of the weaving community. With the advent of mechanized textile production, the contribution of handlooms to cloth production has been declining but even today handlooms contribute over 5,000 million square metres of cloth production in the country. However, the Sector is beset with manifold problems such as obsolete technologies, unorganized production system, low productivity, inadequate working capital, conventional product range, weak marketing link, overall stagnation of production and sales and above all, competition from powerloom and mill sector.

1.2 In a written note submitted to the Committee, the Ministry of Textiles had stated that the Handloom Sector is one of the largest employers in the country, estimated to be the second only to agriculture in the rural economy. About 65 lakh people are directly or indirectly employed in the Handloom Sector as weavers and allied workers. Based on the joint handloom and powerloom census conducted in 1995-96, the break up of handloom weavers and workers is as follows: -

Full time weavers	16,48,816
Part time weavers	18,21,690
Full time workers engaged in preparatory work	5,37,130
Part time workers engaged in preparatory work	11,89,846
Workers engaged in other activities	13,52,644

Total:	65,50,126

1.3 In this regard, the Secretary (Textiles) informed the Committee during the evidence as follows:-

“One more thing is that about these 65 lakh weavers: this survey was done in 1995-96. Most of the time what is happening is that-because of the market forces there has been some change over. Therefore, the handlooms and the powerlooms are there in many places or for other avocations. We will soon conduct another survey and get the data about the number of handloom weavers as they are now”.

1.4 The Census also showed that a large population of weaver household belongs to disadvantaged strata of society, with 10.76% of weavers belonging to Scheduled Castes and 25.50% belonging to Scheduled Tribes and 42.65% belonging to other backward classes. As per the Working Group of Textile Industry for Xth Plan, about 120 lakh persons are engaged in the handloom weaving and allied activities in the country.

Policy of the Government of India

1.5 The Ministry of Textiles in a written note informed the Committee that in view of the high employment in the Sector and the cost disadvantage faced by handlooms compared to mill sector due to the manual nature of production, the Government of India had been following a policy of protection of the Handloom Sector since long. This policy consisted of subsidy for production and yarn supply, marketing rebate as well as exemption from excise on the hank yarn, which is the main raw material of the cotton handloom sector. The Handloom (Reservation of Articles for Production) Act, 1985 also extends statutory protection to the Sector, by reserving 11 items of textile products for production only on handlooms.

1.6 It has further been informed that the Government of India has been implementing a number of development and welfare schemes for the benefit of the handloom sector. The Schemes being implemented by Government of India are:

1. Deen Dayal Hathkargha Protsahan Yojana
2. Handloom Export Scheme
3. Design Development and Training Programme
4. Integrated Handloom Training Project Package Scheme
5. Mill Gate Price Scheme
6. Weaver Welfare Scheme
7. Workshed-cum-Housing Scheme
8. Bunkar Bima Yojana
9. Implementation of Handloom Reservation Act
10. Special rebate on sale of Handloom Products
11. Scheme for Reimbursement of CENVAT on Hank Yarn

1.7 The Committee find that the data on number of weavers and allied workers engaged in Handloom Sector cannot be taken as authentic as it is based on a Survey conducted almost a decade ago. The Working Group of Textile Industry for Xth Plan has shown the data as about 120 lakh weavers and allied workers. The Committee, therefore, recommend that a new Survey should be conducted to find out the number of handloom weavers and allied workers as they are now.

1.8 The Committee have noted that as many as 11 Development and Welfare Schemes for the Handloom Sector are being implemented by the Ministry of Textiles. But, there is no perceptible improvement in the Handloom Sector as a whole or in the conditions of workers engaged in it. Handloom Sector is in no position to compete with the powerloom despite the protection given to handloom by reserving 11 articles to be produced only in this Sector. This necessitates the total recast and a new fillip to revive it and make it viable, competitive and self-sufficient. Instead of loading it with the multiplicity of Schemes and programmes and looking for ad-hoc solutions to problems plaguing the Handloom Sector, the Committee recommend that solutions should be found with regard to the streamlining of the production in Handloom Sector with high productivity and latest technologies, ensuring availability of sufficient working capital, widening of the product range and strengthening of market links.

CHAPTER-II

Organisation of Handloom Workers

2.1 Handloom Sector is a highly decentralized and dispersed sector. Handloom weavers can be found in most parts of the country and large concentrations are found in over 200 clusters in the country. A majority of the handloom weavers operate as household units. Only 1,98,590 had been identified as commercial units as against a total of 34,87,146 units in the Sector as per the Census conducted in 1995-96. This emphasizes that handloom weaving is practised more as a vocation than as a purely commercial activity. In fact, there is a considerable lack of entrepreneurship and profit motive in the Sector.

2.2 The Ministry of Textiles informed the Committee that efforts were made in the fifties to organize handloom weavers into cooperatives. However, in spite of these efforts and a mushrooming growth in the Handloom Cooperative Sector over the seventies and eighties, current estimates show that only 17% of the handloom weavers are within the cooperative fold. It must be mentioned that this is also an over estimation since many of the cooperatives are defunct either due to financial mis-management or due to accumulation of stock and are therefore unable to provide yarn to the handloom weavers for cloth products. Most of the handloom rich States also have their State Handloom Development and State Apex Cooperatives. However, these organizations have also been facing difficulties due to over staffing, poor marketing activities and over dependence on Government purchases and rebates.

2.3 Regarding implementation of Central Schemes to weavers, the Committee were informed that prior to introduction of Deen Dayal Hathkargha Protsahan Yojana (DDPHY) most of the Schemes were aimed at benefitting the weavers under cooperative fold only. Even under DDPHY, the Central Government releases assistance to agencies recommended by the State Directors of Handlooms. In general, the State Directors have been recommending projects in respect of cooperative agencies. In this regard, the Secretary, Textiles, confessed before the Committee that the Government of India for the last 30 years has taken the cooperative approach to handloom sector. All the schemes are operated basically through the cooperative sector. In certain parts of the country the cooperative sector is very strong, in other it is not so strong and in still others it is weak.

2.4 As regards the functioning of Co-operatives, the Secretary of Textiles further stated before the Committee as follows:-

“Now, as regards handlooms, the main problem is the cooperative sector. This is a State subject. Originally only the cooperative sector could help the weavers particularly the handloom weavers, because they are quite weak. If they organize as cooperatives, they would get higher wages. Therefore, cooperatives were set up long time back, which were functioning. What Development Commissioner (Handlooms) has mentioned is that due to various problems, the cooperative sector is not performing well in most of the States. In fact, most of the apex

cooperatives are sick. They do not have money; scandals are there. There is no proper management also. As a result, Development Commissioner (Handlooms) is finding it difficult to support weavers”.

2.5 On the Scheme to revitalize the apex cooperative societies, a representative of the Ministry of Textiles stated as below:-

“ We have also a Scheme with us just now to strengthen these Apex Cooperative Societies. In Uttar Pradesh and Andhra Pradesh, we have even funded apex cooperative societies to the tune of Rs.10 crore and Rs.20 crore. It is an ongoing project, for restructuring the Apex Cooperative Societies where they have given VRS to all the surplus staff. In some cases, it is as many as to 1500 persons. They had to close down all the unviable showrooms so that they can become a lean commercial body, which can compete in the open market. There are quite a few other State Governments, which have approached us. We have told them first to get a proper study done and give VRS to those who are not doing anything but drawing the salaries. We have told them to close down the showrooms, which are not productive. Two States have done it. Even, we have funded them also. Some others are in the pipeline”.

2.6 When asked whether any alternatives or some other way out of cooperative failure, the Secretary, Textiles, stated during the evidence as under:

“Now, the Ministry of Cooperation is looking into this situation. They are looking into the measures as how they can revitalize these cooperative societies. We have also one scheme for the revival of these cooperative societies. If the Committee feels that we should address the Secretaries of the State Governments, we will certainly do that. For this, we have to adopt the cluster approach. The State Governments have no objection towards this approach. They also know that cooperative societies are passing through the phase of bad conditions. They also want to help the weavers. This cluster approach is the direct and needful assistance to weavers. The State Governments have no objection to this approach. We are taking the State Governments on board for these efforts. The revival of the cooperative sector takes a much longer time. The cooperative sector has to face various other problems to stand on its legs”.

2.7 With regard to the proposal to adopt cluster approach to organize handloom weavers, the Ministry of Textiles in a written reply submitted to the Committee had stated that the Government of India proposes to take up a new scheme titled ‘Integrated Handloom Cluster Scheme’ from the current financial year, i.e. 2005-2006. The Scheme inter-alia envisages to provide assistance in a comprehensive and coordinated manner towards setting up of infrastructure, upgradation of technology, design inputs, marketing support, etc. The Departmental Expenditure Finance Committee, in its meeting held on 1.6.2005, had approved development of 20 handloom clusters throughout the country under the Integrated Handloom Cluster Development Scheme with a ceiling of Rs.3.00 crore per cluster. After the scheme is approved by the competent authorities, the Ministry of Finance would be moved by the Ministry of Textiles, to make adequate budget

provision for the Scheme in Supplementary Demand for Grants. This was further informed by the Secretary during evidence that the scheme will be 100 per cent funded by the Central Government and is being tried out in 20 clusters in the country on a pilot basis. If it succeeds, the Ministry will take it up in 100 more clusters.

2.8 The Secretary also stated, “With regard to what is to be done in each cluster, we propose to have a diagnostic study by an independent agency, an expert body. That body will study these clusters and tell us what is the intervention required in each cluster. We have already done a diagnostic study for five clusters. The scheme is already through. The funds for the scheme will be of the order of Rs. 30 crore totally. In the current year we want a provision of about Rs.5 crore. The Finance Ministry has said that it would be given as additionally”.

2.9 The Committee have noted that the Handloom Sector is a highly decentralized and dispersed sector. Efforts have been made to organize handloom weavers into Cooperatives during the last 50 years. However, these efforts proved dismal failures as only 17 per cent of the handloom weavers could be brought under the Cooperative fold so far. Moreover, many of the Cooperatives are defunct due to inaction on the part of the Union Government to take timely action in coordination with State Governments to find out the root cause of their failure and to take timely and suitable corrective steps for their success. Since assistance under many of the Central Schemes is channelised through Cooperatives, the Committee are but skeptical about the percolation of intended benefits of Central Schemes to weavers when the Cooperatives are becoming increasingly defunct, more so when only 17 per cent of the weavers are covered under cooperative fold. The Committee, therefore, recommend that the Ministry should have a reappraisal of the role of Cooperatives in the Handloom Sector as to how Cooperatives can revive this Sector particularly in the light of the fact that only 17 per cent of the weavers have been brought under its fold despite such Herculean efforts. Alternative strategies may be chalked out for revival of the Sector. In this regard, the Committee further recommend that the Ministry should apprise the Department of Cooperation about the problems being faced by Cooperative Handloom Societies and take necessary corrective steps urgently in coordination with the State Governments and the Department of Cooperation to revitalize and restructure the cooperative societies on priority basis.

2.10 The Committee note that the Scheme to revitalize apex cooperative organizations under Deen Dayal Hathgarha Protsahan Yojana has so far covered only two States. In this regard, the Committee recommend that the Ministry should also assist the other States in revitalizing their apex cooperative societies in a time-bound manner if the desired results have been achieved under the Scheme in the two States. The Committee further recommend that this Scheme should cover primary cooperative societies in addition to apex cooperative organizations.

2.11 The Committee also note that the Government have come up with a new Scheme, namely “Integrated Handloom Cluster Development Scheme”. As per this Scheme, weavers who are organized as clusters, would get the assistance directly from the Union Government. Although this Scheme is proposed to be implemented in 20 clusters, a diagnostic study has so far been conducted only in 5 clusters. The Committee urge the Ministry to take expeditious steps to implement this Scheme in all the 20 clusters during 2005-2006 as planned and inform the Committee of the progress made in this regard. The Committee also recommend that all the handloom clusters in the country should be covered by the Scheme within a definite period of time.

CHAPTER-III

DEVELOPMENT SCHEMES FOR HANDLOOM SECTOR

A. DEEN DAYAL HATHKARGHA PROTSAHAN YOJANA (DDHPY)

3.1 Deen Dayal Hathkargha Protsahan Yojana was launched by the Ministry of Textiles to provide assistance to the handloom weavers in an integrated and comprehensive manner. The Scheme has been in operation w.e.f. 1 April 2000 and will continue to be in operation till 31 March 2007. The Scheme aims at taking care of a wide gamut of activities such as basic inputs, like looms and accessories, working capital loans, product development, infrastructure support, institutional support, training to weavers, supply of equipments and marketing support both at micro and macro levels to the handloom organizations. The handloom organizations can also get assistance under other components of the DDHPY like design inputs, publicity, marketing incentive and transport subsidy for North Eastern Region and J&K. The Ministry of Textiles informed the Committee that it has been noticed that a number of organizations at State level need to be strengthened and therefore, a component has been provided under the scheme for restructuring such organizations for better marketing efforts through bankable projects. The DDHPY envisages covering weavers both under cooperative and non-cooperative fold. The national and state level organizations, primary societies, self-help groups etc. shall be eligible to get benefit of the scheme.

3.2 Under this Centrally-Sponsored Scheme, the sharing between Central and State Government is in the ratio of 50:50. In the case of North Eastern States, Sikkim, J&K, Uttaranchal and Himachal Pradesh the funding pattern is in the ratio of 90:10. For agencies where 100 per cent members are from SC/ST/Minorities/Women, the funding pattern is in the ratio of 75:25. However, the assistance for marketing incentives under the Scheme is 50:50 between Central and State Governments in respect of all the States.

Performance of the Scheme

3.3 This Centrally-sponsored Plan Scheme entails nearly Rs.257.00 crore of Central assistance for the Tenth Plan period. Since inception of the Scheme in the year 2000-2001, assistance of Rs.12,101.46 lakh has been released in respect of 3,034 fresh projects and 1006 projects relating to 2nd instalment to as many as 19 States to cover 1,82,362 beneficiaries.

3.4 When asked about the reasons for such a poor performance of the Scheme in a span of 5 years, the Ministry of Textiles in a written reply had stated that the number of beneficiaries shown to have been covered under the DDHPY in the earlier reply relates to those covered under the Basic Input component of the Scheme only and do not include beneficiaries covered under the Marketing Incentive (MI) Component of the Scheme. It is difficult to quantify the exact number of beneficiaries covered under MI component because funds are released to Apex Level organizations and Primary Weavers Cooperative Societies. However, as per the information received from eight major Handloom States, viz. Andhra Pradesh, Assam, Kerala, Karnataka, Orissa, Tamil Nadu, Uttar Pradesh and West Bengal, the number of beneficiaries covered during the last 3 years under the MI component is approximately 13.63 lakh.

3.5 Under the Basic Input Component of the Scheme, assistance is provided to weavers to procure basic inputs like looms and accessories. The following figures show the huge difference between the number of projects received and the number of projects sanctioned under basic input component of the Scheme:

(Rs. in Lakhs)

Years	No. of projects received	No. of projects sanctioned	Amount sanctioned	Amount Released
2003-04	2,592	1,004	3,210.01	2,824.92
2004-05 (Upto 31.12.04)	2,572	418	2,310.47	1,407.59

3.6 When asked about the reasons for huge difference between the number of projects received and sanctioned, the Ministry of Textiles, in a written reply, has clarified that the difference between the number of projects received and sanctioned is mainly due to non-submission of requisite documents like Utilization Certificate for the past releases, recommendation of the State Level Project Committee, Certificate from the bank about loan tie up for the components for which credit is required, provision of matching State Shares etc.

3.7 In regard to the Performance of the Scheme, the Ministry of Textiles admitted that the Scheme has not been fully operational for want of adequate support from the banks for the components under the scheme towards loan. Besides, because of stringent conditions and the requirement of the support from the State Governments for bearing 50 per cent of the cost, this Scheme has not been very successful. There has also been considerable pressure from the State Governments for recasting the Scheme. The Scheme, therefore, needs to be comprehensively reviewed and revised.

3.8 When the Committee observed that the Scheme is not being implemented because the Central Government's condition that matching grant should come from the State, the Secretary, Textiles, stated as follows:

“Sir, I share your concern. But the point is like this. The sharing pattern is like this. The DDHPY scheme is 50:50 for normal States and for the North-East it is 90:10 and the share is 75:25 when all the member-beneficiaries are women. These are the patterns of the scheme. As you rightly pointed out, some States are very proactive. For example, the southern States are very proactive and as a result, we have been able to persuade them. Actually what we do is we make efforts, we speak to the Chief Secretary, write letters to them, we speak to the Finance Secretaries of the State Governments and see that the money is fast released. Many meetings are held. As a result of these, last year we have been able to spend Rs.84 crore under this Scheme”.

3.9 On being asked as to whether it is proposed to revamp the Scheme with suitable changes in subsidy ceiling, pattern of spending, sharing ratio of the Scheme, etc. the Ministry stated that it is proposed to modify the Scheme and this proposal has been kept in abeyance till the Integrated Handloom Cluster Development Scheme is finalized particularly to avoid duplication of components for which assistance is to be imparted.

3.10 The Committee have noted that Deen Dayal Hathkargha Protsahan Yojana was launched by the Ministry of Textiles to provide comprehensive assistance in an integrated manner during the Tenth Plan period. However, the performance of the Scheme has not so far been encouraging as only 1,004 projects were sanctioned out of 2,592 projects received during 2003-2004 and only 418 projects were sanctioned during 2004-05 upto 31 December 2004 out of 2,572 projects received under the Basic Input Component. The reasons put forth by the Ministry are non-provision of matching State share, non-submission of utilization certificate for the past releases of funds, non-issue of certificate by banks about loan tie-up, etc. The Committee find that the condition of providing matching share by the concerned State is not uniformly met by the States. Some States are proactive in this regard while others are not. As such, the Scheme has not been fully operational. The Committee take a serious view of this and recommend that immediate steps should be taken to review the Scheme comprehensively and revise it particularly with regard to the aspect of matching share and also in the light of the fact that a fully Centrally-Sponsored scheme, namely Integrated Handloom Cluster Development Scheme has been introduced though in a limited way on the pilot basis. The Scheme should be 100 per cent Centrally funded so as to make it fully operational in all States. The Committee are of the opinion that this comprehensive Scheme should not be confined to Tenth Plan period only particularly when the vast majority of the weavers have not yet been benefited from the Scheme. They, therefore, recommend that this Scheme should be extended beyond Tenth Plan period.

B. Mill Gate Price Scheme

3.11 The Mill Gate Price Scheme (MGPS) was introduced by the Ministry of Textiles in the year 1992-93. The Main objective of the Scheme is to ensure regular supply of yarn to the handloom sector at reasonable price so that handloom weaving in the country does not suffer from shortage of its basic raw material, i.e. yarn. Another objective is to help employment generation in the economy. Under the Scheme, yarn(s) of required type is to be supplied to the eligible handloom weavers at prices at which the yarn(s) is available at the mill gate(s). The agencies which are eligible to avail the benefits of MGPS include all handloom organizations at national/state/regional levels, primary weavers' co-operative, handloom development centers, producers/exporters of handloom products registered with the Handloom Exports Promotion Council (HEPC), members of approved handloom associations, NGOs fulfilling Carpart norms etc. The National Handloom Development Corporation (NHDC) is the only agency in charge of implementing this Scheme. The monitoring of the Scheme, however, is being done by the office of Development Commissioner for Handlooms in the Ministry of Textiles, Government of India.

3.12 As per the provisions of the MGPS, the weavers organizations, e.g. apex societies, primary co-operatives, etc. place their order for yarn with the NHDC, who in turn tie up with the mills for supply of the required quantity. As per the provision of the MGPS, expenditure incurred for transportation of yarn from mill to the godown of the user agencies is being reimbursed by NHDC subject to certain limits. For weavers located at remote and hilly areas yarns are also supplied through yarn depots and mobile vans. The additional expenditure incurred for this is reimbursed by the NHDC. Finally, the expenditure incurred by the NHDC for running the Scheme is reimbursed by the Government of India.

3.13 The Weavers from almost all the States are availing of the benefits of the Scheme. However, there is a large concentration of beneficiaries in a few States, namely Tamil Nadu, Karnataka, Uttar Pradesh, Andhra Pradesh and West Bengal. In contrast, in States like Gujarat and Punjab the impact of the Scheme has been limited so far. The States from the North-Eastern Region have also failed to reap the full benefits; in spite of this fact the Scheme provides special preference for such regions.

Performance of the Scheme

3.14 The Ministry of Textiles engaged the National Productivity Council to carry out an evaluation study to assess the impact of the Scheme and to suggest modifications for better implementation of the Scheme. The following are the major recommendations of the study conducted by National Productivity Council:-

- (i) Given only 15 per cent of the handlooms are covered by MGPS, the coverage of the Scheme needs to be increased. This can be done by (i) extending the scope of the Scheme to the weavers outside co-operative fold (ii) making re-imbursement rates more attractive and (iii) giving wide publicity about the benefits of the Scheme.

- (ii) Weavers' cooperatives availing yarn supply through MGPS should be eligible for transport subsidy at the standard rates based on the distance covered. The rates prepared by NHDC should be approved by Office of DC(Handlooms) before making such rates effective.
- (iii) The rates at which NHDC would get subsidy from the Government of India should, however, be based on the value of yarn supplied under the Scheme. The NHDC can selectively sanction credit to big co-operatives and apex societies, based on credit worthiness of such organizations.
- (iv) Besides co-operatives the individual weavers working in co-operative fold be made eligible to buy yarn, even of small quantities, from these depots. The weavers can buy their balance requirements for yarn by showing co-operative membership/identity cards. For individual weavers the facility of buying yarn through cash payment (instead of cheque/demand draft) should be available.
- (v) The Scheme does not allow operation of both yarn depots and mobile vans by the same weaver agency. It is to be mentioned that yarn depots and mobile vans are not substitutes-rather they are supplementary. Given the poor coverage of the Scheme, more particularly in remote areas such as the North-Eastern region, the option of operating mobile vans should be available for all eligible weavers' organizations.

3.15 When asked about the reasons for poor coverage of the Scheme, the Ministry of Textiles in a written reply stated as follows:-

“The position of supplies under scheme is regularly being reviewed by the NHDC, the only implementing agency of the MGPS and also by Office of the DC (Handlooms). Since the yarn supply under the scheme can only be undertaken through the handloom agencies recommended by the State Handloom Directors and generally they make their recommendation in favour of handloom weaver cooperatives, the coverage has been limited. However, the State Governments have constantly been asked to evolve a mechanism to identify handloom agencies who can supply yarn to the weavers outside the cooperative fold. In this regard, the Ministry of Textiles has stated that only one response from the State Government of Uttar Pradesh has been received till now. With the active attention of the States the coverage of the scheme can be increased”.

3.16 The Ministry of Textiles has also informed that the following steps have been initiated to increase the coverage of the Scheme:-

- (i) Brochures in different languages i.e. Tamil, Telugu, Kannada, Bengali, Malayalam in addition to Hindi and English were got printed and circulated in the weaver clusters.
- (ii) Release of Press advertisement in the weaver cluster areas in selective basis including advertisement through HEPC in-house magazine.

- (iii) Allowing flexible payment system by the agencies instead of making in advance.
- (iv) NHDC has allowed full reimbursement of freight (from 5 to 7 per cent) for supplies in North-East Area, although as per Scheme, weaver agencies are entitled only up to 3 per cent.
- (v) NHDC is persuading State Directors for identifying more primary level weaver cooperatives as well as other to obtain yarn under the scheme as well as to run depots”.

3.17 The Committee have noted that the Mill Gate Price Scheme was introduced in 1992-93 to ensure regular supply of yarn to weavers at prices at which yarn is available at Mill Gate. However, the Scheme has not achieved the desired results even after a decade of its implementation as it has covered only 15 per cent of the handlooms in the country so far. The reason given by the Ministry for the poor coverage of the Scheme is supply of yarn to weavers mainly through cooperatives. The Committee are not satisfied with the reply of the Ministry and are of the opinion that the steps taken by the Ministry were not adequate enough to increase the coverage of the Scheme. The Committee, therefore, recommend that immediate steps should be taken by the Ministry to extend the scope of the Scheme to the weavers outside the Cooperative fold besides encouraging individual weavers or a group of individual weavers to avail of the yarn supply through Mill Gate Price Scheme. More yarn depots should be opened near Handloom Weaving Clusters as far as possible or at places from where weavers could easily avail of the supply of yarn. Availability of a sufficient number of mobile vans may be ensured to cater to the yarn needs of the weavers. As the Cooperative concept has failed to deliver the desired results, other alternatives should be tried to make the Scheme more effective. Cooperatives are engaged in the Scheme on the recommendations of State Handloom Directors. Hence, steps should be taken to ensure that each of the State Handloom Directors is held responsible to own the responsibilities for the failure of Co-operatives recommended by them. The Committee also find that the publicity being given to the Scheme is not enough and recommend that the benefits of the Scheme should be widely publicized and steps taken for the speedy implementation of the recommendations of National Productivity Council.

C. Workshed-cum-Housing Scheme

3.18 The Ministry of Textiles introduced a Centrally Sponsored Scheme called “Workshed-cum-Housing Scheme” for handloom weavers from the beginning of 7th Plan, i.e. 1985-86. The Scheme is being implemented primarily for providing suitable work place and dwelling units for providing better working environment to the weavers. The implementing agencies for the Scheme are the respective State Handloom Development Corporations, primary Societies or any other Specialized agency set up by the concerned State Government for execution of projects under the Scheme.

Performance of the Scheme

3.19 During the 9th Plan, Rs.6,286.54 lakh were released for construction of 63,853 units of Rural/Urban Worksheds/Workshed-cum-Houses under the Scheme. The following Table shows the Budget provision for the Scheme and the proposals received and sanctioned since 2003-2004:-

Years	Budget Provision (Rs. in crore)		No. of viable proposals received	No. of proposals sanctioned
	North- Eastern States	Rest of India		
2003-2004	7	10	12	11
2004-2005	7	10	12	9
2005-2006	7	5		

3.20 The above figures show that only Rs.5 crore has been allocated to rest of India for the year 2005-2006. When asked the reasons for very less allocation for rest of India and as to whether the amount will be sufficient to meet the requirements of all the major States, the Ministry of Textiles in a written reply stated that the funds under the Workshed-cum-Housing Scheme are released on the basis of viable proposals submitted by the State Governments. In case additional funds are required to consider the proposals received under the Workshed-cum-Housing Scheme, higher allocation will be sought at the Revised Estimate stage. It was further clarified by the Ministry that enhancement of central assistance under the scheme would serve the purpose only if the State Governments submit viable proposals. Moreover, only 24 viable proposals have been received during the last two years.

3.21 On being asked the reasons for very poor response from the States, the Ministry replied that the State Governments submit the proposals which are not complete or not as per the guidelines of the Scheme. Only those proposals, which are submitted in conformity with the guidelines of the Scheme are considered for sanction. The State Governments have already been requested by the Ministry to submit viable proposals as per the guidelines of this Scheme. Besides this during the meetings held with the State Secretaries/Directors' in-charge of Handlooms they are also requested to submit complete proposals under the Scheme.

Scale of Central Assistance

3.22 The information regarding present funding pattern of the Central assistance and the weavers' contribution as also the loan tie up arrangements is given below:-

Name of the Component	Unit Cost in Rs.	Maximum Subsidy	Loan from HUDCO/FIs	Weavers Contribution
Rural Workshed	9,000	7,000	-	2,000
Urban Workshed	14,000	10,000	-	4,000
Rural Workshed-cum-Houses	35,000	18,000	14,000	3,000
Urban Workshed-cum-Houses	45,000	20,000	20,000	5,000

3.23 The above figures show that the maximum subsidy being given for various components of the Scheme is very less. When asked as to whether there is any proposal to enhance the scale of assistance under the Scheme, the Ministry in a written reply had stated that the matter of enhancing central assistance under the Workshed-cum-Housing Scheme is under consideration.

3.24 The Committee note with concern the implementation of Workshed-cum-Housing Scheme at a tardy pace by the Ministry which aims at providing suitable work place and dwelling units for creating better working environment to the handloom weavers. Only 24 viable project proposals have been received during the last two years, out of which 20 project proposals have been sanctioned. The reasons advanced by the Ministry that the State Governments submit the proposals which are not complete or not as per guidelines of the Scheme are not acceptable to the Committee. The Committee are of the view that the Ministry is not serious enough to implement the Scheme and as a result the budgetary allocation has been reduced from Rs.17 crore for 2004-2005 to Rs.12 crore for 2005-2006. While allocation for the North-Eastern States has been kept at Rs.7 crore for the last three years, the allocation for rest of India has been reduced to a mere Rs.5 crore for 2005-2006 which would be hardly sufficient to meet the requirements of the majority of the States. The Committee take a serious view of the pace of implementation of this Scheme and recommend that immediate steps should be taken by the Ministry to properly educate the State machinery about the features of the Scheme. The guidelines of the Scheme are also required to be reviewed on a priority basis and amendments carried out to facilitate the States to adhere to them. The Committee also consider it improper to release funds only on the basis of viable proposals submitted by the States. They recommend that a State-wise assessment of need of funds should be carried out for effective implementation of the Scheme and funds should be allocated as per the need of each State.

3.25 The Committee also feel that a comprehensive review of the unit cost calculation of Rural/Urban Work-sheds and Rural/Urban Workshed-cum-Houses should be carried out and the scale of central assistance per unit should be enhanced accordingly.

D. Weavers Welfare Schemes

(i) Group Insurance Schemes

3.26 This Scheme was introduced in the year 1992-93 in order to meet the socio-economic obligations of the weaver towards his family and to provide security against the uncertainty of his working capacity in old age. Under the Scheme, a weaver is provided an insurance cover of Rs.10,000/- for an annual premium of Rs.120/-. The premium is shared equally among the beneficiary; State Government and the Central Government. Since Bunker Bima Yojana has been introduced in place of Group Insurance Scheme, no further funds were released under the scheme thereafter.

(ii) Bunker Bima Yojana

3.27 In pursuance of the announcement made by the then Prime Minister in his Independence Day Address to the Nation on August 15, 2002, the Ministry of Textiles has introduced a Special Contributory Insurance Scheme called "Bunker Bima Yojana" during December, 2003. This Insurance Scheme is a combination of Janshree Bima Yojana and add-on Group Insurance. This Scheme was implemented in collaboration with the Life Insurance Corporation of India.

3.28 Under the Bunker Bima Yojana, the annual premium is shared between the LIC, the Government of India and the weaver. There is no State Government share involved in the Scheme. The details of premium are as under:-

3.29 The Bunker Bima Yojana was introduced with the objective of providing enhanced Insurance cover to the handloom weavers in the case of natural death. This scheme was introduced in place of the earlier Group Insurance Scheme under which the sum assured was only Rs.10,000/- in the case of natural death. The sum assured under the Janshree Bima Yojana is Rs.20,000/- in the case of natural death and Rs. 30,000/- for natural as well as accidental death. Thus, the sum assured under the Bunker Bima Yojana is Rs.50,000/- in the case of natural death and Rs.80,000/- in the case of accidental death. On being asked as to whether policy holders of erstwhile Group Insurance Scheme are covered under Bunker Bima Yojana, the Ministry in a written reply stated that all the weavers who are policy holders of the erstwhile Group Insurance Scheme are required to switch over to Bunker Bima Yojana.

3.30 In the Budget, 2005-2006, it was announced that the coverage of Life Insurance Scheme for weavers would be enlarged from 2 lakh weavers to 20 lakh weavers. When asked as to what steps are being taken to achieve this target, the Ministry in a written reply stated as under:

“Since inception of the Scheme, 235134 weavers were covered till March, 2005. For the year 2005-2006, it is expected to cover 10 lakh weavers and another 10 lakh weavers in 2006-2007. Wide publicity to the Scheme will be given by the Government of India and Life Insurance Corporation to cover the weavers under the Scheme”.

3.31 When it was pointed out that there are 65 lakh weavers in the country and the target is only 20 lakh weavers, the Secretary, Textiles stated during the evidence, “We went to the Finance Ministry and said – let us at least cover 20 lakh weavers, that is one third of the total number of weavers as a social safety net. They have agreed. The idea is to cover one-third”.

(iii) **Mahatma Gandhi Bunkar Bima Yojana**

3.32 A new insurance scheme called Mahatma Gandhi Bunkar Yojana was launched on September 19, 2005. The objective of the Scheme is to provide enhanced insurance coverage to the handloom weavers in case of natural as well as accidental death. The Scheme is applicable to all weavers residing in both rural and urban areas throughout the country. The Scheme is implemented through the Life Insurance Corporation of India through State Directions in charge of handlooms.

BENEFITS

- (A) In the event of death of the Member, Sum Assured of Rs.50,000 will become payable, to the nominee.
- (B) In the event of death by accident or Partial/Total Permanent Disability due to accident, the following benefit shall be payable:

(i)	On death due to accident	Rs.80,000/-
(ii)	Permanent total disability due to accident	Rs.50,000/-
(iii)	Loss of 2 eyes or 2 limbs OR one eye and one limb in an accident	Rs.50,000/-
(iv)	Loss of one eye or one limb in an accident	Rs.25,000/-

PREMIUM

Government of India contribution	Rs.150/- per annum
Weavers' contribution	Rs.80/- per annum
LIC's contribution	Rs.100/- per annum
Total	Rs.330/-

3.33 The eligibility criteria for availing assistance under the Mahatma Gandhi Bunkar Bima Yojana is as under:-

- (a) The weaver should be earning at least 50% of his income from handloom weaving.
- (b) All weavers whether male or female, between the age group of 18 and 59 years are eligible to be covered under the Mahatma Gandhi Bunkar Bima Yojana.
- (c) Weavers being regular members of a Co-operative Society will be eligible to benefit from the scheme.
- (d) Weavers affiliated to State Handloom Development Corporations will also be eligible.
- (e) Weavers belonging to the Primary Weavers' Co-operative Society/Apex Society/Handloom Development Corporations having at least 25 members are eligible to be covered under this insurance scheme.

3.34 The Weavers of Pochampally pleaded before the Committee that upper age limit of 58 years should be raised to 70 years for eligible to be covered under MGBBY. In this regard, the Ministry of Textiles, in its comments provided to the Committee, has stated that the matter relating to increase the age limit to 70 years under MGBBY has been taken up with the Life Insurance Corporation of India.

3.35 The Ministry of Textiles informed the Committee that with the introduction of Mahatma Gandhi Bunkar Yojana (MGBBY), the earlier Bunkar Bima Yojana stands discontinued and no proposals for further renewal under that scheme will be considered.

(iv) Health Package Scheme for Handloom Weavers

3.36 The Ministry of Textiles introduced the Health Package Scheme in March, 1993. Under the scheme, the weavers are provided financial assistance for the treatment of diseases like asthma, tuberculosis and inflammation of respiratory system, cost of testing of eyes and provision spectacles, supply of drinking water, maternity benefits to women weavers, payment of additional compensation for permanent measures of family planning and infrastructure for the primary health care.

3.37 During the 9th Plan, Rs.1,464.09 lakh was released by the Ministry of Textiles under the Scheme for covering 2,53,835 weavers. During 2003-2004, Rs.221.25 lakh was released under this Scheme to various State Government covering 26,814 weavers. During 2004-2005 an amount of Rs.369.26 lakh has been released (upto 31.01.2005) to the various State Governments for coverage of 72,198 weavers.

3.38 In the Budget, 2005-2006, it was announced that the coverage of the Health Insurance Package would be increased to 2 lakh weavers at a recurring cost of Rs.30 crore per year. To a query as to what steps are being taken to achieve this target, the Ministry of Textiles in a written reply stated as follows:-

“It is proposed to introduce a Health Insurance Scheme for handloom weavers in pursuance of the budget announcement 2005-2006 made by the Hon’ble Finance Minister. Under this Scheme, 3.00 lakh weavers proposed to be covered each in the year 2006-2007. The Health Insurance Scheme for handloom weavers has been approved by the Departmental Expenditure Finance Committee. The final approval for the scheme is being sought from the Competent Authority”.

3.39 In this regard, the Secretary (Textiles) further informed the Committee during evidence as under:-

“Another important Scheme, as part of the social security safety net for the handloom weavers, is to give them a health cover. Earlier, we had a scheme under which we used to give Rs.1,500 for every weaver and the weaver would be given some drugs and also spectacles. It is a full grant from the budget of the Government of India. But the funds available were limited and the coverage was, therefore, limited. The coverage was only for about 20,000 weavers. We felt it is inadequate. We asked for additional funds for covering at least 2 lakh weavers. Instead of giving it as a grant, we went through the insurance route. I am happy to inform the hon’ble Members of the Committee and the Chairman that we have been able to tie up with an insurance company under which a very good package will now be available for the weavers. The total cover would be Rs.15,000 for a weaver family. In addition to weavers, the family of the weavers will also be covered. Pre existing illness will be covered and OPD treatment will also be covered under this Scheme. So Rs.15,000 will be the value of the health insurance the weavers will now get for which the Insurance premium from the Government side would be about Rs.1000 plus the taxes involved. We want some participation from weavers so that they take interest in the scheme and, therefore, we have prescribed about Rs.200/- coming from the weavers. Due to the lower cost of this package we will now be able to cover 3.2 lakh weavers this year. Instead of the present coverage of about 20,000 weavers, we will be able to cover 3.2 lakh weavers now. The funds required would be again Rs.30 crore. The Finance Minister has agreed to provide the funds for this. This would be in addition to the funds which are already provided in the Budget”.

3.40 The Committee have noted that Bunkar Bima Yojana was launched in 2003 to provide enhanced Life Insurance coverage of Rs.50,000/- in the case of natural death and Rs.80,000/- in the case of accidental death. A target has been set to cover one-third of all the handloom workers under the Scheme by 2007. The Committee recommend that an action plan should be chalked out and concrete and vigorous steps should be taken to cover one-third of handloom weavers under the Scheme by 2007 and to cover all the weavers before the end of next Five Year Plan.

3.41 The Committee are concerned to note that Insurance Schemes are often either withdrawn or merged with new Schemes which leads to confusion in the minds of handloom weavers. For instance, Bunkar Bima Yojana was introduced in place of Group Insurance Scheme and the Committee were informed that policy holders of erstwhile Group Insurance Scheme are required to switch over to Bunkar Bima Yojana. Recently, a new Scheme named Mahatma Gandhi Bunkar Bima Yojana (MGBBY) has been launched and this would replace the Bunkar Bima Yojana. The Committee are of the view that such mergers should be preceded by proper information to policy holders regarding merger. The Committee, therefore, recommend that all the policy holders of Group Insurance Scheme and Bunkar Bima Yojana should automatically be covered under the Mahatma Gandhi Bunkar Bima Yojana (MGBBY). Necessary instructions should be given to the Insurance Company in this regard. The Committee also recommend that the eligibility criteria in regard to the upper age limit for coverage under MGBBY should be raised from 58 to 70 years as desired by the weavers.

3.42 The Committee have also noted that only 26,814 weavers and 72,198 weavers were covered under Health Package Scheme during 2003-2004 and 2004-2005 respectively. A target for covering 3.2 lakh weavers each in the year 2005-2006 and 2006-2007 has been set under a new Health Insurance Scheme which is likely to be launched soon. The Committee expect that concrete steps would be taken to fulfill the targets during 2005-2006 and 2006-2007 as envisaged under the new Scheme. The Committee should be informed of the progress made in this regard at quarterly intervals. The Committee further recommend that suitable steps should be taken to cover all the beneficiaries of the existing Health Package Scheme under the proposed Health Insurance Scheme in a time-bound manner.

E. Research and Training Programmes

(i) Research & Development

3.43 Research & Development is an essential ingredient for any industry to keep pace with the fast changing development on account of the increasing global interest in Indian Handlooms. Hence, undertaking Research & Development in the handloom sector is very essential in order to have regular system of feed back on economic, social, aesthetic, technical and promotional aspects of handloom sector with the help of expertise of reputed research institutes and other professional/voluntary organizations, Non-Governmental organizations registered under any of the statutory Acts, Universities, IIHTs/WSCs having basic infrastructural facilities to effectively implement the scheme through studies, need based survey, research and development etc.

3.44 The following table shows the amounts released for Research & Development of Handloom Sector: -

(Rs. in lakh)

Years	Amount Released
2003-04	40.06
2004-05	35.00
2005-06	40.00

3.45 When asked as to whether the above fund releases are sufficient to meet the Research and Development needs of handloom sector, the Ministry in a written reply stated that the releases for R&D projects are made only if the Ministry considers them as viable projects and that the amounts granted for the R&D in Handloom Sector are sufficient as the funds released under R&D depend upon the viable proposals received from the organisations and approval of projects by the technical Committee.

3.46 To a query, whether the Government propose to take itself the task of R&D projects in handloom sector, the Ministry replied that if it is found that the private organisations are not coming upto expectations, IITs would be considered for undertaking and R&D Projects, especially for suggesting measures for cost reduction in the production of handlooms. In this regard, Secretary (textiles) assured that Committee during evidence as follows:-

“As regards Research and Development, I certainly agree with the hon. Member. Indian Institute of Technology, Delhi is the only institution, which is having textile technology as a course. We are already in touch with them. The Professor of IIT is in the Committee of DC (Handlooms). We will allocate more funds for Research and Development. We will ask them to examine as to how cost of production could be reduced.”

(ii) Integrated Handloom Training Programmes

3.47 Integrated Handloom Training Programme (IHTP) was introduced in 2003 for skill up-gradation of one lakh weavers/workers and artisans working in the Handloom Sector. This project envisages the imparting of comprehensive training to handloom weavers/workers and artisans in technical, managerial and marketing skills to enable them to produce and market high value and diversified quality products in keeping with current trends in domestic and international market, and providing the workers with equipment.

3.48 Out of the target of one lakh weavers, the target of coverage of handloom weavers/workers is 90,000 by office of the Development Commissioner for Handlooms and remaining 10,000 artisans by Office of the Development Commissioner for Handicrafts.

Performance of the scheme

3.49 The scheme was introduced in December, 2003 Rs.295.75 lakh was sanctioned for conducting 200 programmes, covering 4000 weavers at the fag end of the year 2003-04. These programmes were actually implemented during 2004-05. Similarly a target to cover 20,000 weavers was fixed for 2004-05 and the same was revised as 15,000 weavers after taking into account the issues relating to implementation in the field level. But sanctions for training of 16,540 trainees were issued. As of now, only 6520 weavers have been trained and the training of 2540 weavers are in progress. It is also proposed to take up training of at least 20,000 weavers in each of 2005-06 and 2006-07.

3.50 When asked the reasons for repeated non-achievement of targets under the scheme, the Ministry of Textiles in a written reply stated as follows: -

“the scheme was introduced in December, 2003 and since it was a new scheme, therefore, it took time to understand the scheme by the States/Weavers Service Centres (WSCs), to constitute State Level Training Committee (SLTC), invite the proposals through release of advertisement, scrutiny of the proposals received, convening the meeting of SLTC, release of funds and other ground preparations for conduct of the sanctioned training programmes. On the whole, IHTP scheme could not be implemented during the first year of the Xth Plan. However, the efforts are being made to achieve the targets as much as possible during the Xth Plan. The remaining targets, if any will be carried forward to the next Five Year Plan.”

3.51 In this regard a representative of the Ministry of Textiles stated as follows during the evidence: -

“Previously weavers were not coming for training because they could not attend to their work for it and they were given low stipend too. But now we are giving rupees hundred for a day to them. For dye course too rupees hundred is being given for a day. This course is of 15 days. By making this change we have seen that previously weavers were not coming for training but now they are coming in large numbers.”

3.52 The Committee have noted that Research and Development in the handloom sector is essential to enable them compete with other sectors. However, it is noted that fund allocation for Research and Development is hardly sufficient to meet the needs of Research and Development efforts in the Handloom Sector especially for suggesting measures for cost reduction in the production of handlooms, exclusive design development and development of superior handlooms. The Committee, therefore, recommend that the Ministry should take more proactive steps for accelerating Research and Development efforts in Handloom Sector including enhancement of fund allocation and engagement of reputed institutions like Indian Institutes of Technology to find out ways and means for the development of Handloom Sector. More IITs and other Technical Institutions of repute should be requested to introduce the Textiles Technology as one of the courses keeping in view the ground situation of Textiles Industry particularly Handlooms.

3.53 The Committee are deeply concerned to note that the Ministry has repeatedly failed to achieve the targets fixed for a particular year under Integrated Handloom Training Programmes and that it could complete the programme targets in the subsequent years only. As a result, the remaining targets are carried forward to the next Five Year Plan. The reasons put forth by the Ministry are : time taken to understand the Scheme by the States, invitation of proposals and their scrutiny, release of funds and other ground preparations. On the whole, the Scheme could not be implemented in the first year of the Tenth Plan. The Committee are of the view that before launching a Scheme all the ground preparations, including

properly educating implementing agencies/States should be done and recommend that the Ministry should take concrete steps to achieve the target of imparting training to 1 lakh weavers within the Tenth Plan period. The Committee also recommend that work loss of weavers should be continuously compensated by an appropriate amount of stipend during the training period. The stipend amount should also be reviewed periodically and enhanced, so as to attract more weavers for training.

F. Promotion of sale of Handloom Products

(i) Marketing Promotion Programme

3.54 Marketing Promotion Programme (MPP) is an integrated scheme including components for Publicity and Awareness, setting up of Marketing Complexes and organization of Exhibition and Fairs through various agencies to promote the marketing of handloom in the country and to improve levels of awareness among handloom weavers and the general public in the interest of overall development of the handloom sector.

3.55 One of the main components of this scheme is organizing of National Handloom Expos (NHE), Special Expos and District Level Events (DLE) Financial assistance is provided to eligible agencies for organizing NHEs, Special Expos and DLEs. The objective of these events, as stated by the Ministry of Textiles, is to provide an opportunity to handloom weavers to market their products in various parts of the country. These events also enable consumers to access handloom production from various sources at one place.

3.56 The following table shows the target fixed approved and the actual achievement of these events since 2002-03: -

SL.	Name of the Event	2002-03			2003-04			2004-05			2005-06
		Tar	Apprd	Ach	Tar	Apprd	Ach	Tar	Apprd	Ach	Tar
1.	National/Special Handloom Expos	10	21	19	16	30	27	30	42	37	50
2.	District Level Events	150	153	130*	150	167	158	150	170	145**	300
3.	Craft Mela & Master creation Programme	06	06	06	06	06	06	07	07	07	06

* The District Level Events could not be organized by the Implementing agencies.

** On the basis of report received till date from the State Government.

3.57 During evidence, the Committee observed that this vast country itself a big market and there is a big scope for handloom products. In reply, the secretary (textiles) stated as follows: -

“We have a scheme for supporting marketing within the country and actually a number of exhibitions are held by the DC, Handlooms at various levels. We have enough budget. We have in fact doubled the target in terms of numbers, which gives an opportunity for weavers to exhibit their products and people buy it. In reality, there is a lot of

demand for handloom products in the various commercial centres. So, for marketing we are really giving assistance and there is no limit. If more is required, certainly we will give more assistance for all these exhibitions. The numbers are available. I can give you the number of exhibitions that were being supported”.

3.58 The Secretary further stated during the course of evidence as below:-

“In addition, we are thinking of Handloom Mark like the ‘Wool Mark’. It is an independent body which certifies knitwear that if there is Wool Mark that means, there is quality. People are selling powerloom products as handloom in some private places. We want to introduce Handloom Mark in the current year so that people who buy, know that is a genuine handloom product. All these efforts, we feel, will help in increasing the domestic market. In addition, the design input, which we are giving now, will be market oriented. Designer will come in and produce a good design that they should be able to market. So, there are the efforts which we are making.”

3.59 During the Committee’s recent Study Visit to Pochampally in Andhra Pradesh, weavers of the Pochampally Handloom Weaver’s Cooperative Society Limited, had submitted a Memorandum to the Committee in which they had requested that mobile marketing facilities should be provided to the Primary Handloom Weaver’s Cooperative Societies. In this regard, the Ministry of Textiles had stated in a written reply that as of now, there is no provision under the Marketing Promotion Programme to provide mobile marketing facilities. But Primary Weavers Cooperatives are encouraged to participate in the National/Special Handloom Expos to market their products. Moreover, District Level Events are organized especially for the Primary Weavers Cooperative Societies to market their products. This year, in order to give more thrust, the number of events have been doubled making it to 300.

(ii) Export of Handlooms

3.60 On account of having the advantage of flexibility of production in small batches, uniqueness, constant scope for innovation, eco friendliness, adaptability and above all, the element of rich artistry, handloom sector has the potential to contribute towards export earnings in a big way. The Government has identified export of handloom products as a “Thrust Area” for the overall development of the sector. The committee were further informed that the Government is exploring the possibility making optimal use of the resources to enhance production capabilities of exportable handloom products.

3.61 To give impetus to the export of handloom fabrics, made ups and other handloom items, a scheme for Development of Exportable Products and their Marketing (DEPM), was introduced by the Ministry of Textiles in 1996-1997 (October 1996), and it operated till 31.3.2002. During the 10th Five Year the Scheme is continuing as “Handloom Export Scheme”, and it covers development of exportable products, publicity of the products and the international marketing thereof. The financial assistance under the Scheme is

extended to the eligible National State Level Handloom Corporations, Apex Cooperative Societies and Primary Handloom Weavers Cooperative Societies. Private Handloom Exporters are also assisted under the scheme only through Handloom Export Promotion Council (HEPC).

3.62 The Year-wise Export of Cotton Handloom Fabrics and Mad-ups during 2000-2001 to 2002-2003 is as follows:-

Year	Fabric (Rs. in Crores)	Made-ups (Rs. in Crores)	Total (Rs. in Crores)	Total (US Dollar)
2000-2001	489.63	1637.82	2127.45	466
2001-2002	496.47	1568.47	2064.94	433
2002-2003	842.94	1790.33	2633.27	544

3.63 The above figures show that the export of cotton handloom fabrics and made-ups has increased to Rs.2633 crore during 2002-2003. When asked as to whether the Ministry are optimistic to continue their performance during post MFA period, the Ministry in a written reply stated as follows:-

“Yes; the Ministry is optimistic to continue this performance during the post MFA period. However, in the absence of segregated ITC (HS) code for handloom products in the revised ITC (HS) code with effect from 01.04.2003, the Council is not in a position to monitor the trends from April 2003 onwards. In order to have separate ITC (HS) code for the handloom products, efforts have been made in consultation with the Handloom export Promotion Council, the exporters etc. and a list of handloom approval, Personal meetings of the Office of DC (Handlooms) and Executive Director, Handloom Export Promotion Council with the concerned officers of DOR have been place and the requisite notification from DOR is awaited”.

3.64 In a post evidence reply, the Ministry informed the Committee that the following steps are contemplated to boost export of handlooms and to withstand the disadvantages in post MFA period.

- A special Brand Equity Fund would be sought from the Ministry for the handloom sector to conceptualize and to the promote Indian Handwoven Brand as generic and specific brands like natural dyed, organic textiles, etc. This will make the consumers well aware of the USP and richness of Indian handwoven products and protect their interest in sourcing genuine handloom products.

- A trade mark for handlooms is being developed on lines similar to “woolmark”, which will enable handloom products to develop a niche market with a distinct identity.
- More number of exclusive handwoven shows would be conducted in the leading international consumer centers supported with retail shows and roa shows to create awareness and publicity on the Indian handloom products among consumer/buyers.
- In the International market USP of the handloom should be projected as unique, exclusive, custom designed, niche product. The high-end segments of developed countries continue to be potential market for the growth of handloom exports.
- Efforts are being made to focus on the unexplored countries. However, due to lack of information and uncertainty in the new areas, the response from the exporters are lukewarm. Therefore, the Council would request the Government to provide grant to the Council’s participation in fairs for exploring the market. At present grant for the Council’s participation without exporters are not provided with financial support. Since Financial support for such participation will help the Council to collect and disseminate the useful information on the new market in order to encourage and build up the confidence among the exporters for their participation in the International events.
- There will be a special thrust on the development and promotion of new and potential product ranges such as garments, lifestyle products, accessories, made-ups, gifts, nature fibre, natural dyed products, organic textiles, etc.
- Tariff exemption will be sought for handloom products through WTO negotiation by treating handloom as heritage product and also on the ground that its sustenance and growth will mitigate unemployment and reduce poverty.

3.65 The Ministry further informed the Committee that the Handloom Export Promotion Council is also preparing a proposal for Market Study under the market Access Initiative Scheme of the Department of Commerce for export enhancement in USA market.

The Continent-wise export of cotton handlooms during 2000-2001 to 2002-2003 is as under:-

Continent	2000-2001	2001-2002	2002-2003
Asia	369.46	340.51	443.79
Africa	128.12	160.87	164.41
Europe	831.77	802.27	989.05
America	684.28	660.84	926.03
LAC	47.16	41.32	36.39
Oceanic	66.66	59.12	73.59
Total	2127.45	2064.94	2633.27

3.66 The above figures show that exports of handlooms to Latin American Countries (LAC), Asia and Africa is very less when compared to other continents. On being asked as to what efforts are being made to boost export to the countries in these continents, the Ministry of Textiles in a written reply stated that in order to boost export of handlooms to Latin American countries, Asia and Africa, the Council had organized the participation of its member exporters in the following events during 2004-2005:

1. Council had participated in International Apparel, Textile, Footwear and Machinery Trade Exhibition held in Cape Town, South Africa during 2nd and 4th November 2004 under Focus Africa programme. 5 member exporters had participated through the Council and spot orders worth of Rs.39 lakhs had been generated apart from concrete enquires worth to the tune of Rs.72.50 lakh.
2. Council had also organized a Buyer-Seller Meet at Santiago, Chile in coordination with Santiago Chamber of Commerce and Embassy of India, Santiago, Chile. 10 member exporters had participated through the Council and the event witnessed a huge turnout and all the participants were very much satisfied over their participation in the BSM. Considering the grand success witnessed during the last year, this year also Council is planning to organize a similar BSM at Santiago, Chile during November 2005 with 20 member exporters under Focus LAC programme.
3. The Council had participated in Hong Kong Housewear Fair held during 21st to 24th April 2005 under Focus ASEAN + 2 programme. The stalls of Council's member exporters attracted more than 475 trade visitors and generated enquires worth over Rs.278.5 lakh and spot orders were booked for Rs.163.5 lakh. Considering the success achieved during this fair, the Council is planning to participate in this Fair regularly.

3.67 In this regard, Secretary (Textiles) had stated during evidence as follows:-

“The other thing is that the Handloom Export Promotion Council (HEPC) is sponsored for exports of handlooms. They participate in a number of fairs. If you take the world over, 50 per cent of trade is only in two areas – America and Europe. The areas, which were mentioned, do not have much scope and the exporters will not be willing to go and do that. But, we assist them in 7 or 8 fairs in a year. Recently, a delegation went to South Africa and Chile too. We will also explore Australia and other countries too. We leave it to the exporters. They know the market; they know the demands. So, we allow them to go wherever they want. That scheme is already there”.

3.68 The Committee note that marketing events such as National/Special Handloom Expos and District Level events provide great opportunity to handloom weavers to market their products in various parts of the country and that 83 National/Special Handloom Expos were organized during the period from 2002-2005 as against a target of only 56 Expos. This shows the overwhelming response of the weavers to such marketing events. However, there are fluctuations in achieving the targets of District Level Events. The Committee are of the view that District Level Events (DLEs) would be easily accessible both to the weavers and consumers. The Committee, therefore, recommend that reasons for which DLEs could not be organised by implementing agencies should be found out and corrective steps taken to achieve targets in regard to DLEs. The Committee also recommend that fund allocation for such marketing events should be enhanced and the number of National/Special Handloom Expos and District Level Events should be increased as per the need of a particular area. The Committee further recommend that the feasibility of providing mobile marketing facilities to the Primary Handloom Weavers' Cooperative Societies be explored which would be very useful for them for marketing their products.

3.69 The Committee have also noted that there is a proposal to develop a Trade Mark namely "Handloom Mark" for handlooms on the lines of Woolmark. Such a trade mark would definitely enable handloom products to develop a niche market with a distinct identity both in domestic and international markets. The Committee, therefore, recommend that expeditious steps should be taken by the Ministry to develop this trademark for handloom products.

3.70 The Committee note that export of handloom products has shown an increasing trend over the years. However, this increase is lopsided. While the export to the continents of Europe and America is on very high side, the export to the countries in the continents of Asia, Africa, Latin America and Oceania is not appreciable. The Committee, therefore, recommend that export promotion measures should be augmented in such untapped markets which would boost handloom exports to those markets. In this regard, the Committee further recommend that apart from participation in potential fairs, Buyer-Seller-meets should be regularly arranged with the help of Indian Missions abroad to tap the potential markets for handlooms. The Committee also expect that the Government would help exporters of handlooms through bilateral trade talks with the countries concerned.

3.71 The Committee further note that certain export promotion measures have been contemplated to boost export of handlooms and to withstand the disadvantages of post Multi-Fibre arrangement period. The Committee expect that sincere efforts would be made to implement measures such as projection of the handloom as unique, custom designed and niche product besides conducting exclusive handwoven shows in leading international consumer centres and seeking tariff exemption for handloom products through WTO to boost handloom exports, etc. The progress made in this regard should be intimated to the Committee.

G. Protection of Handloom Weavers

(i) Handloom (Reservation of Articles of Production) Act, 1985

3.72 The Government of India in its Textile Policy of 1985 promulgated the Handloom (Reservation of Articles of Production) Act, 1985 dated 29 March 1985 to protect the interests of the handloom weavers in the country from the encroachment of the powerloom and mill sector on their livelihood. Under the Act, protection to the handloom sector was extended by way of reserving certain textile articles, which were traditionally being produced on handlooms for lower and middle class. At present 11 textile articles or class of articles for exclusive production on handloom, which were notified, vide SO No.557 (E) dated 26 July 1996 and this order is still in operation. The following textiles articles are required for handloom sector:

1. Saree
2. Dhoti
3. Towel, Gamcha and Angawastaram
4. Lungi
5. Khes, Bedsheet, Bedcover, Counterpane, Furnishing (including tapestry, upholstery)
6. Jamakkalam Durry or Durret
7. Dress Material
8. Barrack Blankets, Kambal or Kamblies
9. Shawl, Loi, Muffler, Pankhi etc.
10. Woollen Tweed
11. Chaddar, Mekhala/Phanek

3.73 The Handlooms (Reservation of Articles for Production) Act, 1985 is implemented through the Central and State Government Enforcement machineries notified under Section 5 of this Act. To supplement the efforts of the State Governments in establishing the State Enforcement machinery, funds are released under the Scheme entitled “implementation of Handlooms (Reservation of Articles for Production) Act, 1985” is in operation.

3.74 During the Tenth Five Year Plan period, the outlay is Rs.6 crore. During the year 2003-2004 a sum of Rs.120.00 lakh (Plan) had been released to various State Governments and the outlay for 2004-2005 was Rs.120 lakh.

3.75 The Ministry of Textiles in a written note informed the Committee that at present there is no proposal to add any item in the list of Reservation Order. When asked as to whether any demands have been received from handloom weavers for increasing number of reserved textile articles for handloom sector, the Ministry of Textiles stated that so far no demand has been received from the handloom weavers for increasing number of reserved articles for handloom sector. In regard to the criteria to add more items in the list of Reservation Order, the Ministry provided the following excerpts of the Act:-

“4 (1): The Central Government shall, with a view to determining the nature of any article or class of articles that may be reserved for exclusive production by handlooms constitute of Advisory Committee consisting of such persons as have in the opinion of that Government, the necessary expertise to give advice on the matter”.

3.76 The Ministry further informed the Committee that an Advisory Committee has been constituted under Section 4 (1) of The Handlooms (Reservation of Articles for Production) Act, 1985. The Advisory Committee looks into the demands and submits its recommendations to the Government for consideration. At present no such representations have been received from the industry.

(ii) Scheme for reimbursement of onetime Rebate @ 10% given by the Handloom Agencies on sale of Handloom cloth from 2002-2003 to 2004-2005.

3.77 The then Prime Minister had made an announcement on 15.8.2002 that the Ministry of Textiles would earmark a sum of Rs.100 crore for a one-time special rebate on handloom fabrics to kick-start this employment-intensive industry and revive its production cycle.

3.78 The Scheme envisages reimbursement of 10 per cent rebate to National/State Level Handloom Corporations/Apex Societies on sale of accumulated handloom cloth from 15.8.2002 to 31.1.2004. Thereafter, from 1.2.2004 to 31.3.2005 the assistance to these agencies, including the Primary Handloom Weavers Cooperative Societies is available on sale of all handloom cloth during the calendar of festivals and National/Special Handloom Expos/District Level Events approved by the Development Commissioner for Handlooms. In addition, the State Governments/Union Territories have the option to extend the benefit of the Scheme for a period of 7 days for any important festival/occasions other than the festivals mentioned in the calendar of festivals approved by the Office of Development Commissioner for Handlooms.

3.79 During 2003-2004, Rs.20 crore was released by the Ministry of Textiles to various State Governments and in 2004-2005 (till 11.2.2005), Rs.820.39 lakh has been released.

3.80 When asked whether this Scheme is proposed to be extended beyond 2005, the Ministry in a written reply informed the Committee that at this stage, there is no proposal to extend the Scheme beyond, 2005. When it was observed that this Special rebate is a relief for weavers and expressed hope that it would be continued, the Secretary (Textiles) stated during the evidence as follows:-

“To be very frank, we expect the State Governments to write to us so that we can move the Government of India. We are not the Government of India. So far, no one has written to me or Development Commissioner (Handlooms). No State Government has written to us. If the Committee recommends, we have something to go by because we have to know the conditions. Earlier, the Scheme was announced because there was a large accumulation. A lot of things came in the newspaper. The Prime Minister intervened and sanctioned this Scheme. The Scheme was for a specific period and the money was also specified. If the State Governments Like Kerala, Tamil Nadu, UP, Andhra Pradesh or any State, write a letter, then we can move saying that so much is the accumulated goods, etc. As of now, there is no such request. The Committee can take a view on it. Then, we will certainly consider.The Government will be very sympathetic. There will be no difficulty. But, we will have to go to the Ministry of Finance and ask them to provide funds for this scheme. We are hopeful of succeeding because of the kind of support that we are having from the Committee”.

3.81 During Committee’s visit to Pochampally, the Weavers of the Pochampally Handloom Weaver’s Cooperative Society Limited demanded that 20 per cent rebate for the Societies participating in National Handloom Expos & Special Handloom Expos should be provided in order to attract more customers. The Ministry of Textiles in its comments on the above demand of the weavers, has stated that the continuation of the Scheme is under consideration of the Government.

(iii) Rate of interest for weavers

3.82 At present, handloom weavers are given credit at the rate of 12 per cent. During evidence, when it was asked whether any steps are being taken in this regard, a representative of the Ministry of Textiles stated as follows:-

“The rate of interest for weavers is the same as that of industries as of now. We have requested the Ministry of Finance that the rate of interest should be same as that of agriculture. It should be the minimum at least. Agriculture also has large employment and this sector also gives a large employment. Therefore, we have written to the Ministry of Finance. It is under active consideration. It should be 9 per cent”.

iv) **Waiver of interest on cash credit**

3.83 During the Committee's visit to Pochampally, weavers of Pochampally Handloom Weaver's Cooperative Society Limited had requested for Waiver of interest on cash audit. This was taken up with the Ministry of Textiles by the Committee. In its reply, the Ministry of Textiles had stated that at present, there is no scheme to waive the outstanding interests on the loans availed of by the Handloom Units. However, under the proposed Handloom Policy, there is a proposal to examine the possibility of waiving the interest on the loans availed by the Handloom Units, having poor financial health.

3.84 The Committee have noted that at present 11 textile articles have been reserved for exclusive production by handloom weavers to protect them from the encroachment of the Powerloom and Mill Sectors under the Handloom (Reservation of Articles of Production) Act, 1985. This reservation was done in 1985 and after that no review of the same has been done so far. An Advisory Committee has been constituted under Section 4(1) of the Act to look into the various aspects including the demands for addition of more articles under reserved category of articles and to submit its recommendations to the Government for its consideration. However, no such demands have been received from the industry. The Committee are of the view that this Advisory Committee can suo-moto determine the nature of any article or class of articles that may be reserved for exclusive production by handlooms as per the provisions of the Act. The Committee, therefore, recommend that the textile articles reserved for Handloom Sector should be comprehensively reviewed and necessary steps taken to reserve more textile articles for Handloom Sector so as to protect it from powerloom and mill sectors.

3.85 The Committee have noted that a Scheme for reimbursement of one-time rebate of 10 per cent was given to handloom weavers on sale of handloom cloth from 2002-2003 to 2004-2005 so as to kick-start this employment-intensive industry and revive its production cycle. The Committee are of the view that this one-time special rebate helped the handloom weavers to compete with the organized sector and recommend that the feasibility of extending this reimbursement of rebate should be examined and necessary relief should be provided to handloom weavers to protect them from powerloom and mill sectors.

3.86 The Committee are concerned to find that handloom weavers are given credit at the rate of 12 per cent which is same as that given to industries. They just could not understand the logic of equating industries with poor handloom weavers. The Committee consider the high rate of interest as one of the reasons for failure of cooperative societies in handloom sector. Moreover, handloom sector is the second largest employment provider, next only to agriculture, comprising several lakh handloom weavers. The Committee, therefore, recommend that expeditious steps should be taken to lower the interest on the credit given to Handloom Weavers.

3.87 The Committee have learnt that there is a proposal to examine the possibility of waiving the interest on the loans availed of by the Handloom units which are having poor financial health. The Committee expect that the proposal would be examined expeditiously and interest on handloom units with poor financial health is considered for waiver.

NEW DELHI;

16 December, 2005
25 Agrahayana, 1927 (Saka)

SURAVARAM SUDHAKAR REDDY
CHAIRMAN,
STANDING COMMITTEE ON LABOUR

**MINUTES OF THE SEVENTH SITTING OF THE STANDING COMMITTEE
ON LABOUR HELD ON 22nd DECEMBER 2004.**

The Committee met from 15.00 hrs. to 16.15 hrs. in Committee Room 'B'
Parliament House Annexe, New Delhi.

PRESENT

Shri P.K. Vasudevan Nair - Chairman

MEMBERS
LOK SABHA

2. Shri Santasri Chatterjee
3. Shri Thawar Chand Gehlot
4. Shri Virendra Kumar
5. Shri Bassangouda Patil (Yatnal)
6. Shri Chandradev Prasad Rajbhar
7. Shri Mohan Rawale
8. Shri Parasnath Yadav

RAJYA SABHA

9. Shri Lekhraj Bachani
10. Shri Debabrata Biswas
11. Ms. Pramila Bohidar

SECRETARIAT

1. **Shri J.P. Sharma - Director**
2. **Shri S.K. Saxena - Assistant Director**

LIST OF THE REPRESENTATIVES OF THE MINISTRY OF TEXTILES

Sl. No	Name of the Officer	Designation
1.	Shri R. Poornalingam	Secretary
2.	Shri B.K. Sinha	Development Commissioner (Handlooms)
3.	Shri B.P. Singh	Addl. Development Commissioner (Handlooms)
4.	Shri S.K. Samal	Addl. Development Commissioner (Handlooms)
5.	Shri Inder Dhamija	Addl. Development Commissioner (Handlooms)
6.	Shri V.K. Goyal	MD, National Handloom Development Corporation

2. At the outset, Hon'ble Chairman welcomed the Members of the Committee and informed them that as per the decision of the Committee in its sitting held on 23.11.2004, a press communiqué, inviting comments/suggestions from Trade Unions, subscribers, Employees' groups, Employers' groups and other interested groups on Employees Provident Fund Organisation and Employees' State Insurance Corporation was published through DAVP in different newspapers and publicity was also given in the news of Doordarshan. The Chairman also informed the members that letters were also issued to 42 Central Trade Union Organisations, Employers' Groups and Employees' Groups inviting their suggestions and that the Ministry of Labour and Employment had been requested to obtain comments from the State Governments on the above subjects.

3. Thereafter, the Committee took the oral evidence of the representatives of the Ministry of Textiles on "Development Schemes for Handloom Sector". At the outset, Hon'ble Chairman welcomed Shri R. Poornalingam, Secretary and other officials of the Ministry of Textiles and requested them to brief the Committee on the subject.

4. After the briefing, the Secretary and other officials of the Ministry replied to the queries raised by the Members. The Chairman, thanked the Secretary and other officials for giving their valuable time to the Committee and directed the Secretary to send written replies to the queries raised by the Members on which information was not readily available with them during the evidence and also asked them to send written replies to the List of Points furnished by the Secretariat.

5. A copy of the verbatim record of the evidence has been kept.

The Committee then adjourned.

**MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE
ON LABOUR HELD ON WEDNESDAY, 15 JUNE 2005.**

The Committee met from 1100 hours to 1300 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri P.K. Vasudevan Nair - Chairman

**MEMBERS
LOK SABHA**

2. Shri Furkan Ansari
3. Shri Santasri Chatterjee
4. Shri Sukhdev Singh Dhindsa
5. Shri Thawar Chand Gehlot
6. Shri Virendra Kumar
7. Smt. Sushila Kerketta
7. Shri Bassangouda Patil (Yatnal)
8. Shri Lal Mani Prasad
9. Shri Chandradev Prasad Rajbhar
10. Shri Mohan Rawale
11. Shri Chandra Pratap Singh
12. Smt. C.S. Sujatha
13. Shri Parasnath Yadav

RAJYA SABHA

14. Shri Gandhi Azad
15. Shri Jayanta Bhattacharya
16. Shri Debabrata Biswas
17. Shri K. Chandran Pillai

SECRETARIAT

1. Shri P.D.T. Achary - Secretary
2. Shri R.S. Misra - Deputy Secretary
3. Shri N.K. Pandey - Under Secretary

REPRESENTATIVES OF MINISTRY OF TEXTILES

Sl.No	Name of the Officer	Designation
1.	Shri R. Poornalingam	Secretary (Textiles)
2.	Shri B.K. Sinha	Development Commissioner (Handlooms)
3.	Shri S.K. Samal	Addl. Development Commissioner (Handlooms)
4.	Shri V.K. Goel	Managing Director, National Handloom Development Corporation Ltd., Lucknow
5.	Shri S.K. Sharma	Joint Secretary
6.	Shri Manoj Jain	Deputy Development Commissioner (Handlooms)
7.	Shri R.C. Saini	Deputy Secretary
8.	Shri T.P.A. Narayanan	Assistant Director (Handlooms)

2. At the outset, the Hon'ble Chairman welcomed the Secretary and other officials of the Ministry of Textiles and asked them to brief the Members about the Development Schemes for Handloom Sector.

3. The Committee then took up evidence of the representatives of the Ministry of Textiles on the subject.

4. The Secretary and other officials of the Ministry replied to the queries raised by the Members. The Chairman directed the Secretary to send written replies to the queries of the Members on which information was not readily available with them during the evidence.

5. The Chairman thanked the Secretary and other officials for giving valuable information to the Committee on the subject.

6. The Committee decided to hold their next sitting on 29 June 2005 to hear the views of the representatives of Trade Unions on ESI Scheme if their willingness to appear before the Committee are received on time.

A verbatim record of the evidence was kept.

The Committee then adjourned.

**MINUTES OF THE TENTH SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 15 DECEMBER 2005.**

The Committee met from 1500 hrs. to 1600hrs. in Committee Room 'D'
Parliament House Annexe, New Delhi.

PRESENT

Shri Suravaram Sudhakar Reddy – CHAIRMAN

**MEMBERS
LOK SABHA**

2. Shri Joachim Baxla
3. Shri Santasri Chatterjee
4. Shri Thawar Chand Gehlot
5. Shri Virendra Kumar
6. Shri Lal Mani Prasad
7. Shri Chandradev Prasad Rajbhar
8. Smt. C.S. Sujatha

RAJYA SABHA

9. Shri Lekhraj Bachani
10. Shri K. Chandran Pillai

SECRETARIAT

- | | | |
|---------------------|---|--------------------|
| 1. Shri N.K. Sapra | - | Joint Secretary |
| 2. Shri R.S. Misra | - | Deputy Secretary |
| 3. Shri N.K. Pandey | - | Under Secretary |
| 4. Shri S.K. Saxena | - | Assistant Director |

2. At the outset, the Hon'ble Chairman welcomed the Members and apprised them about the two Draft Reports on "Development Schemes for Handloom Sector" and "The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Amendment and Miscellaneous Provisions Bill, 2005."

3. The Committee first took up the draft Ninth Report on "Development Schemes for Handloom Sector" and adopted the same with the following modifications:

- (i) Page 7, Para No.2.9, line 16 delete the words "if necessary";
- (ii) Page 31, Para No.3.53, line 6 delete the words "if necessary";
- (iii) Page 45, Para No.3.86, line 8 delete the words "on par with agricultural sector";

4. XX XX XX XX

5. The Committee authorized the Chairman to finalise the Reports and present the same to Parliament on their behalf.

6. XX XX XX XX

The Committee then adjourned.